

*WASHINGTON D.C.* – U.S. Congressman John B. Larson (CT-01) and a bi-partisan group of U.S. lawmakers have launched a major effort to spur job creation and innovation by modernizing and making permanent the research and development (R&D) tax credit.

"America is the world's leading innovator – developing life-saving technologies, state-of-the art computer systems, and breakthrough manufacturing products – but we're losing ground to competitors around the world," said Larson, the Chairman of the House Democratic Caucus and a member of the House Ways and Means Committee, which oversees tax policy. "It's time we get back on the playing field by modernizing the R&D tax credit and keeping American jobs and innovation here at home."

The American Research and Competitiveness Act of 2011 - H.R. 942 - would simplify and strengthen the R & D tax credit by increasing the "alternative simplified credit" by nearly 50% (from 14% to 20%) and making it permanent, while providing a one-year phase out period for the outdated "traditional credit".

Other leaders of the effort are Reps. Kevin Brady (R-TX), Anna Eshoo (D-CA), Doris Matsui (D-CA), Erik Paulsen (R-MN) and Michael McCaul (R-TX).

"Innovation drives America's future," said Brady, a senior member of the Ways and Means Committee and the sponsor of The American Research and Competitiveness Act of 2011. "To keep from falling behind our global competitors and to make sure America is the first choice for R & D jobs we need to modernize the tax credit, strengthen it to encourage companies to make greater investment in research and jobs and make the credit permanent so businesses have the confidence to make long-term investment decisions here in the United States."

American business leaders offered strong support for the legislation.

"UTC is proud to partner with Congressman John Larson and his colleagues on legislation to modernize, enhance, and make permanent the R&D simplified credit. From elevators to jet engines to building systems, the people of United Technologies demonstrate every day how investments in research and innovation enable us to do more with less," said Dr. J. Michael

McQuade, Senior Vice-President, Science and Technology, United Technologies Corporation. The American Research & Competitiveness Act of 2011 promotes job growth and thriving communities in the United States, and this is certainly true for Connecticut. In 2010, UTC's R&D activities in Connecticut represented over two-thirds of the roughly \$3 billion we spent in the in the U.S. and over half of our global total. These expenditures translate into engineers, scientists, and suppliers who pay taxes, fuel local economies, and support charitable causes and the arts. The bipartisan leadership of Congressman Larson and his colleagues on the federal R&D credit promotes American competitiveness and the good work being done in Connecticut. We look forward to working together to help enact an enhanced, modernized, and permanent credit for research activities and jobs in the United States."

"Investment in R&D is critical for our nation's economic competitiveness and IBM applauds Representatives Brady and Larson in their effort to enhance and make permanent the alternative simplified Research and Development tax credit," said Christopher Padilla, Vice President, IBM Governmental Programs. "Throughout its 100 year history, IBM has demonstrated a strong commitment to funding scientific research, which has paved the way for societal breakthroughs such as missions to the moon, helping to map the human genome and most recently, a computing system named Watson that represents a new frontier of information science through its ability to understand natural language. The American Research and Competitiveness Act of 2011 will help advance the next wave of innovations that will have positive implications for our society and help to further economic vitality for the United States."